

IRS News Release

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Taxpayers Abroad Can Choose IRS Free File; Don't Forget to Report Foreign Accounts

Video: *Free File 2011*: [English](#) | [Spanish](#) | [ASL](#)

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WASHINGTON — Taxpayers abroad can now use [IRS Free File](#) to prepare and electronically file their returns for free, the Internal Revenue Service announced today.

Five Free File companies can handle returns filed from foreign addresses. This means both U.S. citizens and resident aliens living abroad with adjusted gross incomes of \$58,000 or less can use brand-name software to prepare their returns and then e-file them for free.

This option may be especially attractive to taxpayers living and working abroad who claim the foreign earned income exclusion. That's because the \$58,000 income limit applies after the exclusion of up to \$91,500 is subtracted, thus effectively making Free File available to many higher-income taxpayers. Eligible taxpayers claiming this exclusion on [Form 2555](#) or the foreign tax credit on [Form 1116](#) should check their software to ensure it supports these forms.

To get started, go to www.irs.gov/freefile and select "Pick a Free File Company." Taxpayers also can use Free File to request an extension if they cannot meet the regular tax deadline. Free File will be open until Oct. 17, 2011 to accommodate taxpayers who get the regular six-month tax-filing extension, as well as people taking advantage of the special June 15 tax-filing deadline available to taxpayers who live and work outside the U.S.

The IRS reminds U.S. citizens and resident aliens that federal law requires them to report income from all sources, both foreign and domestic, including income from foreign trusts and foreign bank and securities accounts. In most cases, affected taxpayers also need to fill out Part III of [Schedule B](#), including reporting the country or countries in which the accounts are located.

In addition, taxpayers with foreign accounts whose aggregate value exceeded \$10,000 at any time during 2010 must file Treasury Department [Form TD F 90-22.1](#). This form is due June 30, 2011, and is filed with the Treasury Department. Details on this requirement are in [Publication 4261, Do You Have a Foreign Financial Account?](#)

The IRS today again urged taxpayers who, in the past, failed to disclose foreign accounts or report foreign income to take advantage of the agency's new [Offshore Voluntary Disclosure Initiative](#). Announced last month and available for a limited time only, this special initiative is designed to bring offshore money back into the U.S. tax system and help people with undisclosed income from hidden offshore accounts get current with their taxes. Taxpayers participating in the new initiative must file all returns and pay any taxes, interest and accuracy-related penalties due by Aug. 31, 2011. Full details are on IRS.gov.